

is intended to make it clear that all the particulars must be definite,—the term must be fixed, the redemption value must be fixed, and the bond must provide for redemption at that time at the specified value. That would eliminate perpetual bonds.

The CHAIRMAN: Mr. Macdonnell, did your question have to do with the rather recent provision with regard to municipal debentures?

Mr. MACDONNELL: No, I was thinking of bonds that are redeemable before maturity, perhaps at a premium.

Mr. MACGREGOR: Well, (b) does contemplate that kind of security also, sir, and in computing the amortized value, any earlier option must be taken into account in paragraph (c) defining "yield". That option must be taken for the purpose of computing amortized values that will give the lowest yield.

Mr. MACDONNELL: It is not very important, but my point would be: which is redeemable at the end of that term or earlier on such terms at a specified value.

Mr. MACGREGOR: Paragraphs (b), (c) and (d) ought to be read together, sir.

Mr. MACDONNELL: All right, very good. I am content.

The CHAIRMAN: Would you rather that section would stand?

Mr. MACDONNELL: No.

The CHAIRMAN: Shall the section carry?

Carried.

Shall section 15 carry?

Carried.

Shall section 16 carry?

Carried.

Shall section 17 carry?

Carried.

Shall section 18 carry?

Carried.

Shall section 19 carry?

Carried.

Shall section 20 carry?

Carried.

Shall section 21 carry?

Carried.

Section 22—are there any substantial changes, Mr. MacGregor?

Mr. MACGREGOR: There are two main changes in clause 22. This clause relates to fire and casualty companies. At the present time fire and casualty companies appear to be required to show liabilities in their annual statement of exactly 80 per cent of the unearned premiums. The first proposed change in this clause would make that the minimum, but would make it clear that they may include reserves of more than 80 per cent. We want to encourage them to include more than 80 per cent, and it is possible that in some companies it is necessary that they do include more than 80 per cent. It is designed to strengthen the requirements in that respect.

The second change relates to the reserves to be carried in the annual statements of fire and casualty companies transacting non-cancellable sickness and accident business. That class of business is a rather hazardous type which has been transacted by casualty companies for a great number of years with